

## Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 FEA-02 INT-08 DODE-00

PA-04 USIA-15 PRS-01 SS-20 L-03 NSC-07 DRC-01 /161 W

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P 271935Z AUG 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC PRIORITY 0218

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E.O. 11652: N/A

TAGS: EMIN, EFIN, GY

SUBJECT: NEW NATION EDITORIAL ON REYNOLDS

PNC PARTY WEEKLY (NEW NATION) OF 8/24 PUBLISHED  
EDITORIAL ENTITLED "FACTS SHEET ON REYNOLDS".

FOLLIWNG IS COMPLETE TEXT:

BEGIN UNCLASSIFIED

QUOTE

1. IN 1973 GUYANA EARNED ONLY  
G\$1.35 FOR EVERY TON OF BAUXITE MINED BY REYNOLDS  
COMPARED WITH G\$1.85 IN 1970, A REDUCTION OF  
FIFTY (50) CENTS PER TON.

2. BETWEEN 1970 AND 1973, GUYANA'S REVENUE FROM  
REYNOLDS DECLINED BY G\$815,000.

3. GUYANA'S BILL FOR PETROLEUM AND PETROLEUM-  
BASED PRODUCTS WILL INCREASE BY OVER 400 PERCENT IN  
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1974 OVER 1973, BUT GUYANA'S INCOME FROM THE

SALE OF BAUXITE FROM REYNOLDS WILL BE LESS.

4. CONSERVATIVE ESTIMATES BY THE MINES DIVISION OF THE MINISTRY OF ENERGY AND NATURAL RESOURCES INDICATE A BAUXITE RESERVE OF 127.4 MILLION TONS ON 24,515 ACRES OF LEASE LAND HELD BY REYNOLDS.

5. REYNOLDS INTENDS TO INCREASE ITS BAUXITE PRODUCTION FROM 812,022 TONS IN 1973 TO 930,000 FROM 1974 TO 1976, ALTHOUGH ITS HIGHEST PRODUCTION WAS 1,154,676 TONS IN 1971. THERE ARE NO PLANS SUBMITTED TO GOVERNMENT TO DEVELOP AN ALUMINA PLANT OR FOR ANY OTHER FORM OF DEVELOPMENT OF THE INDUSTRY.

6. GUYANA IS AMONG THE FIVE MAJOR BAUXITE PRODUCING COUNTRIES IN THE WORLD AND PRODUCES 90 PERCENT OF THE WORLD'S CALCINED BAUXITE SUPPLY, USED TO MAKE REFRACTORY BRICKS TO LINE KILNS IN THE PRODUCTION OF STEEL.

7. REYNOLDS' FIXED CAPITAL ASSETS INVESTED IN GUYANA HAVE A NET BOOK VALUE OF US\$10.6 MILLION ALTHOUGH IT IS INSURED BY TWO FOREIGN COMPANIES FOR US\$28.2 MILLION.

8. THE COMPANY'S PROJECTED PRODUCTION WILL FAIL TO MEET ITS OBLIGATIONS AS SET FORTH IN AN AGREEMENT BETWEEN GUYANA AND REYNOLDS IN 1965 WHICH CALLS FOR THE PRODUCTION OF A MINIMUM OF ONE MILLION TONS PER ANNUM BY 1976.

9. APPROXIMATELY 15 PERCENT OF GUYANA'S LABOUR FORCE IS UNEMPLOYED.

10. REYNOLDS, WHICH IS CAPITAL INTENSIVE, EMPLOYS LESS THAN ONE HALF OF ONE (1) PERCENT OF THE LABOUR FORCE.

NOTE: TONNAGES QUOTED ARE L.D.T.

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1US\$2.14G\$

OFFICE OF THE PRIME MINISTER  
JULY , 1974

UNQUOTE

END UNCLASSIFIED

COMMENT: TO OUR KNOWLEDGE THE ABOVE WAS NOT RELEASED  
BEFORE PUBLICATION IN NEW NATION. WE SURMISE IT  
WAS PREPARED AS BRIEFING MATERIAL FOR PM BURNHAM  
PRIOR TO OPENING OF  
REYNOLDS TALKS. NOTE THAT  
ITEM SEVEN INSURED VALUE FIGURE IS IN DOLS US. THIS  
IS PROBABLY A TYPOGRAPHICAL ERROR MEANT TO BE  
GUYANA DOLS, ALTHOUGH WHEN CONVERTED TO DOLS US AT  
2.14 RATE IT IS DOLS US 13.18 MILLION. THROUGH LOW-  
KEY APPROACH MISSION IS BRING DISCREPANCY TO ATTENTION  
OF APPROPRIATE GOG OFFICIAL. KREBS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, BAUXITE, ASSETS, GOVERNMENT REVENUES, PRICE TRENDS, MINING INDUSTRY, PRODUCTION DATA, INVESTMENT DATA  
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**Draft Date:** 27 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** martinml  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D740237-0154  
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**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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30 JUN 2005

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**TAGS:** EMIN, EFIN, GY, REYNOLDS  
**To:** STATE  
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